

REMARKS

This application has been reviewed in light of the Non-Final Office Action dated July 22, 2009 (hereinafter referred to as the “Office Action”). Upon entry of this paper, Claims 15-16, 18-19, 21-22, and 24-26 are pending in the present application (collectively referred to herein as the “presently pending claims”). Claims 15-16, 18-19, and 21-22 are in independent form and are amended herein. Claims 24, 25, and 26 are new and depend from Claims 15, 18, and 19, respectively. Support for the amendments and the new claims may be found in the present application as published (U.S. Publication No. 2005/0114242) at least at paragraphs [0116]-[0125], [0146] and Figures 9 and 10. Accordingly, no new matter is added by these amendments. In view of the aforementioned amendments and remarks set forth below, Applicants respectfully request allowance of Claims 15-16, 18-19, 21-22, and 24-26.

In order to expedite prosecution of the present application, Claims 1-14 and 23 are cancelled in this paper. With this cancellation, Applicants do not intend to convey their agreement with the substantive basis or correctness of the 35 U.S.C. §101 rejection of Claims 1-14 and 23 set forth in the Office Action. In view of the cancellation of the aforementioned claims, the 35 U.S.C. §101 rejection is moot and is not addressed in this paper.

The 35 U.S.C. § 103 Rejection

Claims 1-10, 12-16, 18, 19, and 21-23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,337,141 (herein “Sullivan”) in view of Official Notice as taken by the Examiner in the Office Action. Applicants respectfully submit that the aforementioned rejection is inapplicable to the presently pending claims as amended.

Specifically, in this paper, Claims 15, 18 and 19 are amended to call for a computer system (Claim 15), a computer-readable medium (Claim 18) and a programmed computer (Claim 19), collectively referred to as the ‘system’, configured to implement an employee stock option transfer program, the program including calculating a plurality of possible option value prices during a first part of a decision period (i.e., a period wherein eligible employees may elect to transfer their employee stock options). (Present Application as published, paragraphs [0116] – [0119]; Figure 9). During the first part of the decision period, the system of Claims 15, 18, and 19 is configured to receive an election (based on the possible option value prices) to transfer employee stock options from a first set of employees during the first part of the decision period. (Present Application as published, paragraphs [0116] – [0119]; Figure 9).

Following receipt of the election by the first set of employees, the system of Claims 15, 18, and 19 calls for the determination of a stock price and a particular one of the plurality of possible option value prices. (Present Application as published, paragraphs [0123], [0124] and [0146]). During the second part of the decision period, once the actual option value prices have been determined, the system of Claims 15, 18, and 19 is configured to receive an election to transfer employee stock options from a second set of employees. (Present Application as published, paragraph [0146]).

Claims 24, 25, and 26 depend from claims 15, 18, and 19, respectively, and further call for prorating transfer of only the employee stock options tendered by the second set of employees, by transfer of less than a total number of options tendered by the second set of employees. (Present Application, paragraph [0146]). In this regard, the options tendered by the

first set of employees during the first part of the decision period (i.e., when the exact option value price has yet to be determined) are transferred in full, while the transfer of the options tendered by the second set of employees during the second part of the decision period is prorated.

Independent Claims 16, 21, and 22, as amended, call for a computer system (Claim 16), a computer-readable medium (Claim 21), and a programmed computer (Claim 22) configured to implement an employee stock option transfer program including a plurality of transfer periods wherein eligible employees may elect to transfer their employee stock options. Each transfer period includes a plurality of decision periods – which is further divided into a first part and a second part. During the first part of a particular decision period, one or more employees holding the employee stock option may elect to transfer his or stock option based on estimated or possible option value prices, but while the exact option value price has yet to be determined. Next, during a second part of the decision period, the exact option value price is determined, and the transfer of employee stock options from those employees who opted in during the first part of the decision period is executed.

Applicants respectfully submit that Sullivan fails to teach, suggest or make obvious, whether considered alone or in combination with the Official Notice taken by the Examiner in the Office Action, the features of the claimed invention set forth above and recited in the presently pending claims. Specifically, Sullivan provides no description or teaching of a first part of a decision period wherein elections to transfer are received from employees (i.e., the first set of employees) based on possible option value prices (i.e., estimated, but not exact option value prices). In fact, Sullivan concerns only vested employee stock options, wherein a fixed

and known exercise price is known at the time of an 'election' to transfer. (Sullivan, Abstract; column 3, lines 15-55). In addition, Sullivan does not provide a teaching or suggestion of a system wherein employee stock options tendered during the first part of the decision period are fully transferred, while the transfer of employee stock options tendered during the second part of the decision period is prorated, as called for in new Claims 24-26.

The presently pending claims, as amended, provide for a new and distinct way of managing the transfer of non-vested employee stock options, which includes the deployment and management of a decision period having a first part and a second part. Employees are given the opportunity to elect during the first part when only possible option value prices have been calculated and provided to the employees by the claimed invention. Next, during the second part of the decision period, the exact option price is determined and employees may elect to transfer their options at the determined price. Sullivan provides no teaching or suggestion of a computer-implemented system including these features. Accordingly, the differences between the invention as claimed in the presently pending claims and Sullivan are not limited to only the contract conditions of the employee stock options discussed therein, but also include the aforementioned differences between the methodology and administration of the underlying employee stock option transfer program.

Applicants respectfully request reconsideration of the presently pending claims and withdrawal of the rejections set forth in the Office Action in view of the reasons set forth above. Accordingly, Applicants submit that Claims 15-16, 18-19, 21-22 and 24-26 are in condition for allowance. In the event that any issues remain following entry of this Response, Applicants' attorney respectfully invites the Examiner to contact the undersigned at (973) 422-6422.

Applicants ask that all correspondence related to this matter continue to be directed to the address provided.

Respectfully submitted,

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